

FOR IMMEDIATE RELEASE

Canexus Closes Private Placement of \$110,000,000 7.875% Senior Unsecured Notes due 2023

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Calgary, Alberta – September 20, 2016 – Canexus Corporation (TSX: CUS) (the “Corporation” or “Canexus”) today announced the closing of its previously announced private placement of CDN\$110 million (the “Offering”) aggregate principal amount of 7.875% senior unsecured notes due 2023 (the “Notes”). Canexus intends to use the net proceeds from the Offering to repay indebtedness of the Corporation under its senior secured borrowings and for general corporate purposes.

The Notes were offered by a syndicate co-led by CIBC World Markets Inc. (as sole bookrunner) and Scotia Capital Inc., and including National Bank Financial Inc., TD Securities Inc. and AltaCorp Capital Inc. (collectively the “Agents”) under applicable securities laws in all provinces of Canada.

The Notes have not and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction.

About Canexus

Canexus produces sodium chlorate and chlor-alkali products largely for the pulp and paper and water treatment industries. Our four plants in Canada and two at one site in Brazil are reliable, low-cost, strategically located facilities that capitalize on competitive electricity costs and transportation infrastructure to minimize production and delivery costs. Canexus targets opportunities to maximize shareholder returns and delivers high-quality products to its customers and is committed to Responsible Care® through safe operating practices. Canexus' common shares (CUS) and debentures Series IV – CUS.DB.B; Series V – CUS.DB.C; Series VI – CUS.DB.D) trade on the Toronto Stock Exchange. More information about Canexus is available at www.canexus.ca.

Forward-Looking Statements

This news release contains forward-looking statements and information relating to expected future events and financial and operating results of the Corporation and its subsidiaries, including with respect to: the use of net proceeds from the Offering. The use of the words “expects”, “anticipates”, “continue”, “estimates”, “projects”, “should”, “believe”, “plans”, “intends”, “may”, “will” or similar expressions are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements for a variety of reasons,

including market and general economic conditions, future costs, treatment under governmental regulatory, tax and environmental regimes and the other risks and uncertainties detailed under "Risk Factors" in the Corporation's Annual Information Form filed on the Corporation's SEDAR profile at www.sedar.com. Management believes the expectations reflected in these forward-looking statements are currently reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Due to the potential impact of these factors, the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. Any financial outlook information contained in this news release about prospective results of operations, financial position or cash flows is based on assumptions about future events including economic conditions and proposed courses of action, based on Management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release should not be used for purposes other than for those for which it is disclosed herein.

Further Information:

Dean R. Beacon

Senior Vice President, Finance and CFO
Canexus Corporation
(403) 571-7300

Sarah Scott

Investor Relations
Canexus Corporation
(403) 571-7397